

# OMB Grant Reform

2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

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## Technical Questions About the Webinar

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# Meet the Team



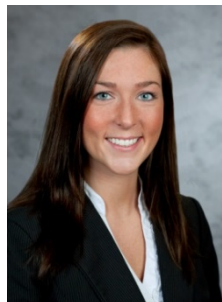
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## Components:

- 1. Introduction**
- 2. Subpart A - Acronyms and Definitions (200.0 series)**
- 3. Subpart B - General Provisions (200.100 series)**
- 4. Subpart C - Pre-award Federal Requirements and Contents of Federal Awards (200.200 series)**
- 5. Subpart D - Post Federal Award Requirement (200.300 series)**
- 6. Subpart E - Cost Principles (200.400 series)**
- 7. Subpart F - Audit Requirements (200.500 series)**
- 8. Appendix I-XI**
- 9. 2015 Compliance Supplement**
- 10. Best Practice To Do List**



# Introduction

## Development of the Guidance

- **LEADER:** OMB's Office of Federal Financial Management
  - COFAR
  - CIGIE
  - Auditors
  - Recipients, sub-recipients and groups representing them

## OMB Objectives

- Combine, streamline, and address policy problems and gaps
- Mandate timing and content of Federal program announcements
- Ensure better Federal agency and pass-through entity review of financial risk and merit of applications
- Provide clearer instructions for “robust” oversight of sub-recipients
- Hold Federal agencies more accountable

# Subpart A: Acronyms and Definitions



# Highlights: Subpart B General Provisions







# General Provisions

## **200.100 Purpose:**

- Establishes uniform administrative guidance, cost principles and audit requirements for Federal awards to non-Federal entities
- Basis for collection and submission of information by the Federal agencies to OMB and the public
- Policies about the delivery of information to the public

## **200.101 Applicability:**

- Mandatory for Awards to States, Local Governments, IHEs, Nonprofit Organizations
- Discretionary to For-Profit Companies and Foreign Entities
- Exceptions noted in CFR 200.101(d) and 200.102



# General Provisions

## 200.104 Supersedes the following guidance:

- A-21, "Cost Principles for Educational Institutions"
- A-87, "Cost Principles for State, Local and Indian Tribal Governments"
- A-89, "Federal Domestic Assistance Program Information"
- A-102, "Grant Awards and Cooperative Agreements with State and Local Governments"
- A-110, "Uniform Administrative Requirements for Awards and Other Agreements with Institutes of Higher Education, Hospitals, and Other Nonprofit Organizations"
- A-122, "Cost Principles for Nonprofit Organizations"
- A-133, "Audits of States, Local Governments and Nonprofit Organizations"



# General Provisions

## 200.110 Effective dates:

- Federal Agency Implementation **effective 12/26/14**
- **MAY DELAY** implementation of procurement standards for **two** years but recipients must document this decision in their internal procurement policies
- Subpart F-Audit Requirements only – **Recipients' FY's beginning after 12/26/14**

## Sub-recipients and sub-awards

- Effective date of the new guidance for sub-awards is the same as the effective date of the Federal award from which the sub-award is made
- The requirements for a sub-award flow from the requirements of the original award from the Federal awarding agency



# General Provisions

## Effective Dates

### March 31, 2015, June 30, 2015 and September 30, 2015 year ends:

- Non-Federal entity will have to adopt new administrative requirements and cost principles relating to all **NEW awards** issued after December 26, 2014 and to **funding increments to existing awards** where the Federal Agency considers to be a change in the award
- Single Audit requirements: “old” regulation
- Auditor compliance testing will be affected by client adoption of new requirements; therefore, some awards will be under the old requirements and some will be tested under the new guidance

### December 31, 2015, year ends and beyond:

- New Single Audit requirements apply
- Ongoing awards issued prior to December 26, 2014 under old requirements and new awards and funding increments to old awards under new regulations

## 200.112 Conflict of Interest:

- Federal awarding agencies **MUST** establish conflict of interest policies for Federal awards
- Recipients **MUST DISCLOSE** in writing any potential conflict of interest to the Federal Agency or pass-through entity

## 200.113 Mandatory Disclosures:

- Recipients **MUST DISCLOSE**, in a timely manner, in writing to the Federal awarding agency or pass-through entity, **ALL VIOLATIONS** of Federal criminal law involving fraud, bribery, or gratuity violations

# Highlights: Subpart C- Pre-Federal Award Requirements





# Pre-Federal Award Requirements

## 200.200 Purpose:

- 200.201 Use of grant agreement (including fixed amount awards), cooperative agreements and contracts. No more vendor relationships.
- 200.202 Provide public notice of Federal financial assistance programs in the Catalogue of Federal Domestic Assistance
- 200.203 Public Notices of funding opportunities for competitive grants and cooperative grants
- 200.204 Federal awarding agency review of merit of proposals (See Appendix 1)
- 200.205 Pre-award risk assessment: May review financial stability, quality of management systems, history of performance, reports and findings from previous audits, suspension and debarment



# Pre-Federal Award Requirements

- 200.206 Standard Application Requirements: Adherence to Paperwork Reduction Act of 1995
- 200.207 Specific Conditions: May impose additional requirements
- 200.208 Certifications and Representations on an annual basis
- 200.209 Pre-Award Costs
- 200.211 Public access to award information via [www.USAspending.gov](http://www.USAspending.gov)
- 200.212 Adherence to Suspension and Debarment Regulations





1. Recipient name
2. Recipient DUNS number
3. Federal Award Identification Number (FAIN)
4. Federal award date
5. Period of performance
6. Amount for Federal funds obligated
7. Total amount of Federal funds obligated
8. Total amount of the Federal award
9. Approved budget
10. Cost sharing or matching,
11. Award project description
12. Name of award agency/contact information
13. CFDA number and name
14. Whether the award is R&D
15. Indirect cost rate for the award

## **General Terms and Conditions**

- Administrative Requirements
- National Policy Requirements
- Applicable General Terms and Conditions

Specific Terms and Conditions

Federal awards Performance Goals

Other Requirements

# Highlights: Subpart D- Post-Federal Award Requirements



# Standards for Grantee Systems

- Financial and Program Management (200.302-305)
- Property Management (200.310-316 and 200.329)
- Procurement (200.317-326)
- Sub-recipient Managing and Monitoring (200.330-332)



# Post-Federal Award Requirements

## Financial and Program Management:

- 200.300 Compliance with statutory and national policy requirements,
  - including FFATA (Federal Financial Accountability Transparency Act)
- 200.301 Performance Management: **Must** relate financial data to performance accomplishments
- 200.302 **Must** have effective controls over and accountability for all funds, property and other assets
- 200.303 **Established internal controls** to provide reasonable assurance - **should** be in compliance with COSO or GAO (Green Book)
  - control environment, risk assessments, control activities, information and communication, and monitoring



# Post-Federal Award Requirements

- 200.304 May require bonding, insurance or both
- 200.305 Payment: Must minimize time between the transfer and disbursements (written cash management procedures)
- 200.306 Voluntary committed cost sharing and matching is not expected under Federal research proposals and cannot be used as a factor during merit review of applications or proposals unless in accordance with Federal Awarding Agency regulations and specified in notice of funding opportunity
- 200.307 Non-Federal entities encouraged to earn program income to offset cost
- 200.308 Recipients required to report deviations from budget, project scope or objective
- 200.309 Period of performance



# Post-Federal Award Requirements

## Property Management:

- Definition of equipment remains “a piece of tangible personal property having a useful life of more than one year and unit cost exceeding \$5,000”
- 200.310 Provide insurance coverage for real property and equipment acquired or improved with Federal funds
- 200.311 Real Property - Title, Use and Disposition
  - Ownership of real property purchased or constructed with Federal funds remains with the organization as long as the organization received a grant to build or construct or to otherwise create real property and uses for its original purpose



# Post-Federal Award Requirements

## Property Management (continued):

- 200.312 Title to Federally-owned and exempt property remains vested in the Federal Government
- 200.313 Title to equipment vested with the non-Federal entity
  - Property records must be maintained,
  - Physical inventory reconciled once every 2 years
  - Disposition
- 200.314 Supplies
  - Clarified communication and computing devices such as smart phones, tablets, etc. are supplies
- 200.315 Intangible property



# Post-Federal Award Requirements

## PROCUREMENT STANDARDS:

- 200.317 Non-Federal entities, with the exceptions of States, must follow new standards
  
- 200.318 General standards:
  - **Must** use documented procedures
  - **Must** maintain oversight over contractors
  - **Must** maintain written standards of conduct covering conflict of interest including transactions with a parent, affiliate or subsidiary organizations
  - **Must** maintain records to detail the history of procurements
    - ✓ **Will include** rationale for the method of procurement, selection of contract type, contractor selection or rejection and the basis for the contract price
  
- 200.319 Competition
  - **Must** provide full and open competition
  - **Must** conduct in a manner that prohibits the use of statutorily or administratively geographical preferences in the evaluation of bids or proposals
  - **Must** have written procedures
  - **Must** ensure that prequalified lists of persons, firms or products are current and include enough qualified sources to ensure maximum open and free competition





# Procurement Requirements

## 200.320 Methods of Procurement to be followed:

### 1. Procurement by micro purchases (<\$3,000)

- ✓ May be awarded without soliciting competitive quotations if non-Federal entity considers price to be reasonable

### 2. Procurement by small purchases (Simplified Acquisition Threshold = <\$150,000)

- ✓ "Price or rate quotation must be obtained from adequate number of qualified sources"

### 3. Procurement by Sealed Bids

### 4. Procurement by Competitive Proposal

### 5. Procurement by Noncompetitive Proposal

- ✓ Available only from a single source
- ✓ Emergency will not permit a delay resulting from competitive solicitation
- ✓ Accepted and included in the proposal
- ✓ After solicitation of a number of sources, competition is determined inadequate

# Procurement Internal Controls

**DOCUMENT** accounting policies and procedures and purchasing practices that comply with applicable laws, regulations and contract terms and conditions

- Code of conduct
- Methods of procurement
- Mitigate against conflict of interest and mandatory disclosures
- Ensure applicable flow-down clauses and terms and conditions are included in contracts, as required to execute the requirements of the award
- Define the lines of authority and responsibility within the system
- Ensure procurements are based on authorized requisitions

# Procurement Internal Controls

- Define the contractor evaluation criteria and methods for determining source selection
- Perform timely cost/price analysis and technical evaluations to determine cost/price is fair and reasonable
- Maintain documentation which details the complete and accurate history of the purchase transaction to support method, contractor, selected/basis of award, and reasonableness of cost/price
- Implement strong contractor monitoring and management of controls
- Address adequate competition
- Bonding requirements
- Contract provisions detailed in Appendix II



# Sub-recipient Overview Implications for Pass-Through Entities

## Sub-recipient Management and Monitoring Standards:

### 200.330 Distinguish sub-recipient from contractor

- Sub-recipient “uses the Federal funds to carry out a program for public purpose specified in authorizing statute”
- A contract is for the purpose of obtaining goods and services for the non-Federal entity’s own use and creates a procurement relationship with the contractor
- Review substance of the relationship

### 200.331 Requirement for pass-through entities

- Every sub-award is clearly identified
- Perform sub-recipient risk assessment
- Ensure flow down of new requirements are included within the sub-agreement



# Sub-recipient Overview

## Requirement for pass-through entities (cont.)

- Identify any additional requirements that the pass-through entity imposes to ensure compliance with its own responsibilities
- Identify or negotiate appropriate sub-recipient indirect cost rate at the time of award
- Requirement to the sub-recipient to permit access to records and financial statements as deemed necessary
- Appropriate terms and conditions for closeout
- Evaluate risk of noncompliance to determine appropriate monitoring
- Pre-award Risk Assessment
  - Evaluate sub-recipient risk of noncompliance and determine monitoring activities including on-site reviews



# Sub-recipient Overview

## Requirement for Pass-through entities (cont.)

- Monitor to ensure sub-award is used for authorized purposes, in compliance with Federal statutes, regs and the terms and conditions of the sub-award and the sub-award performance goals are met. Must include the following:
  - Review financial and performance reports
  - Follow up to ensure sub-recipient is taking appropriate actions on deficiencies detected by audit, on-site reviews and other means
  - Depending on risk assessment of the sub-recipient, may consider providing training and technical assistance, perform onsite reviews, agreed-upon procedures engagement
  - Verify that every sub-recipient is audited as required by Subpart F- Audit Requirements
  - Consider taking enforcement action against noncompliant sub-recipients
- 200.332 Fixed amount sub-awards – requires prior written approval and threshold <\$150,000
- 200.333 Retention requirements

# Sub-recipient Overview

- 200.334 Requests for transfer of records
- 200.335 Methods for collection, transmission and storage of information
- 200.336 Access to records
- 200.337 Restrictions on public access to records
- 200.338 Remedies for noncompliance
- 200.339-200.342 Termination
- 200.343 Closeout
- 200.344 Post closeout adjustments
- 200.345 Collections of amounts due



# Financial and Other Reporting Requirements

## **New disclosure requirements (also covered in Part B)**

- Any occurrence of fraud, bribery or gratuity violations
- Must have a conflict of interest policy and written notification to the awarding agency or pass-through entity of any potential conflict

## **Record retention and access has been updated to include electronic record retention and media and transmittal of data using electronic means**

- Remains at 3 years from the submission of the final or annual financial report

## **Closeout and Continuing Accountability**

- Emphasizes timely closeout so that unobligated funds can be reallocated at the Federal level
- Did not address the allowability of closeout cost in the new guidance. In reviewing 400.403 and 400.471, taken together, the guidance suggests a basis for closeout cost to be allowable





# Subpart E-Cost Principles



# Direct Costs vs Indirect

- Direct Cost is one that is assigned or identified “specifically” with an award cost and can be assigned relatively easily with a high degree of accuracy
  
- Indirect cost is cost for the overall operations of an organization that is not specific to one
  - Negotiated indirect costs rates “must be accepted by all Federal awarding agencies”
  - 10% de minimis indirect cost rate



# Factors affecting allowability of costs

- Necessary and reasonable
- Conform to any limitations or exclusions as noted in the Circular
- **Consistent with policies and procedures that apply uniformly to both Federally-financed and other activities (200.403(c))**
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as indirect costs
- In accordance with GAAP, except for state and local governments and Indian tribes
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federally-financed program in either the current or prior period
- Adequately documented



# 54 Costs Items Specifically Addressed

## Why???

- Commonly encountered in the course of doing business with the Federal government
- Number of items explicitly prohibit the use of Federal funds (example- alcoholic beverages)
- OMB was asked to provide an interpretation as part of the grant reform comment process (example - fluctuations in exchange rates between US and foreign currency)

## Of the 54 items, there are 3 groupings:

- Cost principles where there is little or no change
- Existing principles that have changed
- New principles that have been introduced for the first time or have been renamed



# 54 Selected Items of Costs Specifically Addressed (CFR 200.420-200.475)

## Little/No Substantive Change

200.421 Advertising and public relations  
200.422 Advisory councils  
200.423 Alcoholic beverages  
200.424 Alumni (ae) activities  
200.425 Audit services  
200.426 Bad debts  
200.429 Commencement and convocation costs  
200.435 Defense and prosecution of civil and criminal proceedings  
200.442 Fundraising and investment management  
200.443 Gains and losses on depreciable property

200.445 Goods or services for personal use  
200.446 Idle facilities and idle capacity  
200.447 Insurance and indemnification  
200.450 Lobbying  
200.451 Losses on other award  
200.455 Organizations costs  
200.456 Participant support costs  
200.457 Plant and security costs  
200.458 Pre-award costs  
200.459 Professional services costs  
200.466 Scholarships and student aid costs  
200.467 Selling and marketing costs  
200.467 Student activity costs  
200.475 Trustees



# 54 Selected Items of Costs Specifically Addressed (CFR 200.420-200.475)

## Existing Principles Changed

200.427 Bonding  
200.430 Compensation-personal servicers (includes effort reporting)  
200.431 Compensation – fringe benefits  
200.432 Conferences  
200.433 Contingency provisions  
200.436 Depreciation  
200.437 Employee health, morale and welfare costs  
200.438 Entertainment  
200.439 Equipment and other capital expenses  
200.441 Fines, penalties, damages and other settlements  
200.449 Interest  
200.453 Materials and supplies (including costs of computing devices)

200.454 Memberships, subscriptions and professional activity costs  
200.460 Proposal costs  
200.461 Publication and printing costs  
200.462 Rearrangement and reconversion costs  
200.463 Recruiting costs  
200.464 Relocation of employees  
200.465 Rental costs and real property and equipment  
200.468 Specialized service facilities  
200.470 Taxes (including Value Added Taxes)  
200.471 Termination costs  
200.472 Training and education  
200.474 Travel



# Key Explanations

- **200.430 Compensation:** Personal services (includes effort reporting), allows for after-the-fact determination of what incurred; however, organizations must reconcile that estimate with actual effort. Must have well designed system of internal control.
- **200.432 Conferences:** To underscore that costs must be reasonable based on what attendees are paying to attend, the number of people needing to attend, etc. must be reasonable, necessary and managed in a manner that minimizes costs
  - scandal- conference held by the Federal government in the Fall of 2012 in Las Vegas
- **200.436 Depreciation:** Allows for depreciation but NOT use allowance
- **200.438 Entertainment:** “If the activity has a programmatic purpose, and it has advanced approval from the awarding agency”, it is an allowable cost.
- **200.474 Travel:** Can include cost of dependent care that the traveler incurs; allowability of commercial airfare “basic least expensive transferable airfare”; dropped prior approval for foreign travel

# New and No Longer Addressed Principles

<u>New Principles/New Names</u>	<u>No Longer Specifically Addressed</u>
200.428 Collection of improper payments	Allowability of specific staff positions (e.g. deans, etc.)
200.440 Exchange rates	Communication costs
200.448 Intellectual property	Labor relations costs
	Meeting
	Foreign travel





# Subpart F – Audit Requirements



# Highlights: Audit Requirements for Upcoming 12/31/15 Audits

## **200.501 Audit Requirements:**

A single or program specific audit required for non-federal entities that expend **\$750,000 or more**

- Auditee may simultaneously be a recipient, a sub-recipient and a contractor (see section 200.330 for clarification)
- Payments received for goods and services as a contractor are not Federal awards
- Auditee required to ensure compliance for procurement transactions by contractors
- Pass-through entity required to establish requirements to ensure compliance by for-profit subsidiaries

# Audit Requirements

## **200.508 Auditee Responsibilities**

- Procure audit and allow access to all information to perform audit
- Prepare FS, including SEFA
- PROMPTLY follow up and take corrective action on audit findings, including preparation of a summary of prior and corrective action plans
- Submit report with the earlier of 30 days after receipt of the auditor's report or nine months after the end of the audit period



# Audit Requirements

## 200.514 Auditor Responsibilities

- Conduct audit in accordance with GAGAS
- FS fairly presented
- Must understand IC over federal programs to plan the audit to support a low assessed level of control risk
- Select major programs for testing
  - Type A/B threshold – increase from \$300,000 to \$750,000
  - High risk Type A and Type B program criteria
  - Auditee low risk criteria

## 200.515 Audit Reporting

- Opinion
- Report on IC over financial reporting and compliance with provisions of laws, regs, contracts and award agreements
- Report on compliance for each major program and a report on IC over compliance
- Schedule of findings and questioned costs

# Audit Requirements

## 200.516 Audit Findings

- Significant deficiencies
- Material weaknesses
- Known questioned costs greater than \$25,000 for a major program
- Not required to test; however, known questioned costs greater than \$25,000 which is not a major program
- Circumstances why report on compliance is other than unmodified
- Known or likely fraud
- Audit finding detail and clarity

## 200.517 Audit Documentation

- Minimum of 3 years after the date of issuance
- Access to audit documentation



# Low-Risk Auditee- “2 Year Look Back”

- Single audits on an annual basis in accordance with GAGAS, including submitting data collection form timely (earlier of 30 calendar days after the receipt of audit report or 9 months after the end of the audit period)
- Unmodified opinion on financial statements in accordance with US GAAP or a basis of accounting required by state law
- Unmodified in-relation-to opinion SEFA
- No material weaknesses in internal control over financial reporting that were identified under GAGAS
- No going concern opinion
- No waivers
- None of the federal programs classified as type A programs had:
  - Internal control deficiencies identified as a material weakness in the auditors report on internal controls
  - A modified opinion on major programs in the auditors report on major programs
  - Known or likely questioned costs that exceed 5% of the total federal awards expended for type A program during the audit period



# SEFA and Uniform Guidance

Must include the following on the FACE of the Schedule of Expenditures of Federal awards:

- a) Federal Grantor/Pass-through Grantor/Program / or Cluster Title
- b) Federal CFDA number
- c) Pass-through entity identifying number
- d) Total dollar amount expended
- e) Total amounts provided to sub recipients from each Federal program
- f) Total Federal awards expended for loan or loan guarantee programs (beginning balance of outstanding loans plus loans disbursed during period plus interest subsidy, cash, or administrative cost allowance)
- g) Non cash awards (for example, free rent, food commodities, and donated property and the value of insurance in effect)
- h) Total for cluster of programs

Must include in the SEFA Notes:

- Basis of presentation
- Cost principles used
- The loan balances outstanding at the end of the audit period for loans and loan guarantees
- Whether or not non-Federal entity elected to use the 10% de minimus cost rate



- **Appendix I:** Full text of Notice of Funding Opportunity
- **Appendix II:** Contract Provisions for Non-Federal Entity Contracts under Federal Awards
- **Appendix III:** Indirect Cost Identification and Assignment and Determination for IHEs
- **Appendix IV:** Indirect Costs Identification and Assignment and Rate Determination for Nonprofit Orgs
- **Appendix V:** State/Local Governments Central Service Cost Allocation Plans
- **Appendix VI:** Public Assistance Cost Allocation Plans
- **Appendix VII:** States and Local Government and Indian Tribe Indirect Cost Proposals
- **Appendix VIII:** Nonprofit Orgs Exempted from Subpart E-Cost Principles
- **Appendix IX:** Hospital Cost Principles
- **Appendix X:** Data Collection Form
- **Appendix XI:** Compliance Supplement





# 2015 Compliance Supplement

- Appendix V, List of Changes for the 2015 Compliance Supplement, identifies all changes at a high level
  - Identifies specific programmatic changes by Catalog of Federal Domestic Assistance (CFDA) number
- Reduction in compliance requirements from 14 to 12
  - Davis Bacon (DB) and Real Property and Relocation Assistance (RPRA) removed
  - Impact of this change not as significant as might expect
  - Reduction also applies to Circular A-133 audits performed under the 2015 Supplement
- Changed title of “Period of Availability of Funds” to “Period of Performance” in Part 3.2
- Deleted ARRA testing in Part 3.2, N. Special Tests and Provisions (R1-R3)
- Deleted the subaward reporting audit requirements under the Federal Funding Accountability and Transparency ACT (FFATA) from Section L-Reporting
  - Does not affect what auditees have to comply with; auditors just are not being ask to test compliance
- Appendix VII includes new related guidance
  - Any findings relating to FFATA, DB, or RPRA must continue to be reported in the summary schedule of prior audit findings and the corrective action plan
  - Also must be considered in the auditor’s assessment of risk and low-risk auditee consideration



# Best Practice To Do List



# Best Practice To Do List

1. **Identify** a champion to oversee the implementation of the Uniform Guidance. Senior management should be involved.
2. **Access and distribute** the PDF version of the CFR 200 to all finance/grant/program staff. [http://www.whitehouse.gov/omb/grants\\_docs](http://www.whitehouse.gov/omb/grants_docs)
3. **Provide** training to all staff via in-house trainings, external seminars, webinars, etc.
4. **Update** your internal control policies to reflect the changes noted in the Uniform Guidance.
5. **Focus** on areas of most significance first, such as procurement policies, sub-recipient monitoring policies, cost principles.



# Best Practice To Do List

6. Determine appropriate administrative requirements and cost principles:
  - a) **Review** all new grants issued after December 26, 2014 for identification of the UG regulations. If the award does not explicitly state to follow UG, contact the grantor and get written clarification of the regulations/guidelines to follow. Keep written documentation for future reference.
  - b) **Review** all incremental funding received after December 26, 2014 for identification of regulations/guidelines to follow. If the new incremental funding does not explicitly state to follow UG, contact the grantor and get written clarification of the regulations/guidelines to follow. **Keep** written documentation for future reference.
  - c) **Review** sub-awards for the identification of the UG regulations. Effective date of the new guidance for sub-awards is the same as the effective date of the Federal award from which the sub-award is made.
    - a) Note-The requirements for the sub-award flow from the requirements of the original award from the Federal awarding agency.
  - d) **Review** all contract and sub-recipient relationships to ensure they have been properly identified as acquisition or assistance awards.
  - e) **Establish** financial and program management to comply with statutory and national policy requirements as well as performance management requirements (CFR 200.300-200.309)



# Best Practice To Do List

- f. **Update** internal control policies to include:
  - a) **Must** establish conflict of interest policies and disclose in writing any potential conflict of interest. **(CFR 200.318)**
  - b) **Must** establish polices regarding competition (CFR 200.319)
  - c) **Must** establish new procurement policies **(CFR 200.318, 200.319 and 200.320)**  
**Federal Government is allowing a grace period of two full fiscal years after the effective date. If you defer, update internal control documentation noting deferral.**
  - d) **Must** establish guidelines for Sub-recipient managing and monitoring including a pre-risk assessment (CFR 200.331 and 200.331)
  - e) **Update** policies for compliance with new cost principles (CFR200.420-200.475)
  - f) **Update** polices regarding indirect cost rates- negotiated rate or 10-percent de Minimis indirect cost rate
  
- 7. **Review** SEFA for all required elements
  - a) When preparing the SEFA for the auditors, include an additional column indicating the regulation followed (A-133 or UG) alongside the date of the grant.



# Best Practice To Do List

## 8. Access available resources:

- a. **CALL GRF** if you have any questions
- b. **Access** the GRF PowerPoint presentation on “2 CFR 200- Uniform Administrative Requirements, Cost Principles and Audit”
- c. **Access** all the various UG related documents at:
  - i. [http://www.whitehouse.gov/omb/grants\\_docs](http://www.whitehouse.gov/omb/grants_docs)
- d. Got to the **COFAR Mailing List link** to register and receive future announcements, information on upcoming webcasts, and other COFAR resources
- e. **Access** archive of an OMB Web event and related presentation materials covering the contents of the various Subparts and requirements
  - i. October 2014
  - ii. January 2014
- f. **Access** a COFAR FAQ document updated as of November 2014
- g. **Purchase** the **Government Auditing Standards and Circular A-133 Audits-Audit Guide**
- h. **GAQC Alerts:** <http://www.aicpa.org/GAQC>
- i. **Access** the 2015 Compliance Supplement:  
[https://www.whitehouse.gov/omb/circulars/a133\\_compliance\\_supplement\\_2015](https://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2015)
- j. **Purchase** the Guide to COSO- Internal Control-Integrated Framework



# QUESTIONS?

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